

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON HEALTH & HUMAN SERVICES**

**Call to Order:** By **CHAIRMAN DAVE LEWIS**, on January 15, 2001 at 8:30 A.M., in Room 152 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Dave Lewis, Chairman (R)  
Sen. John Cobb, Vice Chairman (R)  
Rep. Edith Clark (R)  
Rep. Joey Jayne (D)  
Sen. Bob Keenan (R)  
Sen. Mignon Waterman (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Robert V. Andersen, OBPP  
Pat Gervais, Legislative Branch  
Lois Steinbeck, Legislative Branch  
Sydney Taber, Committee Secretary  
Connie Welsh, OBPP

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: Discussion of DPHHS Actions to  
Reduce Supplemental  
Appropriation, 1/15/2001

Executive Action: Executive Action - Operations  
and Technology Division

**PRESENTATION BY THE DIRECTOR OF THE OFFICE OF BUDGET AND PROGRAM  
PLANNING**

***{Tape : 1; Side : A; Approx. Time Counter : 0.6 - 7.6}***

**CHAIRMAN LEWIS** introduced **Chuck Swysgood, Director of the Office of Budget and Program Planning (OBPP)**, who addressed the impact of the increased supplemental that the Department of Health and Human Services is faced with this fiscal year. The budget office

has agreed to increase the FY01 general fund supplemental request by \$3,161,815 from \$14,028,000 to \$17,189,815.

The budget office will present to the Taxation Committee an adjustment to HJR 2 general fund revenues of \$2,525,000 for additional institutional reimbursements at the state hospital from FY01-FY03. The 2001 biennium estimated reversions will be increased by \$640,725. The net effect of these actions is an increase in the 2003 biennium ending fund balance of \$7.2 million general fund.

The proposed budget has a \$30 million ending fund balance. Since the publication of the budget in December, \$3.7 million that was in the general fund balance is no longer there because the payment received for the tobacco money came in January instead of December. The proposal that has been presented is part of disciplined management discussed in the Executive Budget

**EXHIBIT(jhh11a01).**

**{Tape : 1; Side : A; Approx. Time Counter : 7.7-11.8}**

**CHAIRMAN LEWIS** asked if the proposal reduced any services.

**Director Swysgood** said that in 2001 there are a couple of areas of service reduction, the rest of the reductions are from funding switches. In response to questions from **SEN. COBB**, **Director Swysgood** said that there would be some reduction of services that would carry over from FY01, that all of the budgets had experienced reductions in increased spending, and that there are other budget areas that may have funding switches

**EXHIBIT(jhh11a02) EXHIBIT(jhh11a03).** He expressed the desire to have a \$40 million ending fund balance if possible.

**{Tape : 1; Side : A; Approx. Time Counter : 11.5-14.0}**

**SEN. WATERMAN**, asked, in reference to his letter, if the decision packages mentioned could be moved forward to this biennium.

**Connie Welsh, Office of Budget and Program Planning**, explained that the proposal would recommend adding Decision Package 891 to Governor Martz's budget, which would be a fund switch using funds from the alcohol tax that could be used to apply to appropriate mental health services in lieu of general fund. Decision Package 891 would affect the 2003 biennium, and the 2001 biennium would be handled by making the appropriate budget changes in the current Executive Budget.

**{Tape : 1; Side : A; Approx. Time Counter : 14.0-17.1}**

**CHAIRMAN LEWIS** summarized the proposed plan. The Department did \$9 million in fund switches in the 2003 biennium; picked up a little over \$2 million in new revenue from the reimbursement revenue estimate, meaning \$11 million in increases; and added roughly about \$3.5 million to \$4 million in expenditures in the

current biennium which accounts for the \$7 plus million increase in the general fund balance.

**{Tape : 1; Side : A; Approx. Time Counter : 17.2-28}**

**Lois Steinbeck, Legislative Fiscal Division Staff**, handed out a summary of the change in the supplemental estimate by DPHHS and went over the history of the supplemental **EXHIBIT(jhh11a04)**.

**{Tape : 1; Side : A; Approx. Time Counter : 28.5-35}**

**Gail Gray, Director of the Department of Health and Human Services**, responded in three parts: the general fund supplemental request; the two-part management plan, including the monitoring process the Department will use and creative ideas to sustain the process; and the third part, a list of Department recommended cuts should the cost containment not work.

Most of the supplemental request comes from mental health. There is also, however, a shortfall of \$3 million which comes primarily from drug cost overruns. Because Governor Martz's budget includes substantial increases for prescription drugs, the supplemental increase in this area would not need to be continued. The mental health non-Medicaid part of the supplemental request contributes to \$10 million of the supplemental request. The total shortfall before the cost cutting is \$21 million.

**{Tape : 1; Side : A; Approx. Time Counter : 35.3-38.2}**

In the Developmental Disabilities area, the shortfall is due to the need to send more clients from institutions into the communities. **Director Gray** assured **SEN. COBB** that there were new numbers that each division could go over for the Committee, and that they would make those numbers available to the Committee.

**{Tape : 1; Side : A; Approx. Time Counter : 38.3-44.8}**

**CHAIRMAN LEWIS** mentioned an editorial in the *Billings Gazette* that attributed the supplemental shortfall to the state hospital, but in looking at the supplemental less than \$5 million from the state hospital is actually attributable to the shortfall.

**Director Gray** explained that under budget and expense in the first year, the Department had \$15.6 million, but the actual cost was \$17 million; this year \$15 million was projected and budgeted and the actual costs were more like \$17 million. **SEN. COBB** asked if that was projected and budgeted or budgeted before the last session ended. **Director Gray** responded that at the end of the last session, the Montana State Hospital was budgeted at 135 beds to which adjustments were made to bring it up to 160.

**{Tape : 1; Side : A; Approx. Time Counter : 44.9-48.4}**

**Ms. Steinbeck** stated that this issue was one that would be discussed in the legislative staff analysis. The allocation of cost overruns among the mental health services substantially changed within three weeks.

**{Tape : 1; Side : B; Approx. Time Counter : 3.2-5.3}**

**Director Gray** explained there will be gatekeeping and reduction of costs at the state hospital, and that Governor Martz's budget does include a substantial increase for the state hospital. Whether it is enough, will be dependent on actual usage.

**{Tape : 1; Side : B; Approx. Time Counter : 5.4-13.5}**

**Director Gray** went over reductions and fund switches in the supplemental appropriation for the 2001 biennium and adjustments to the 2003 biennium request. The Children's Health Insurance Program (CHIP) refinance will replace \$2.1 million of general fund costs. In developmental disabilities services, the federal grant came in at \$140,000 more than anticipated, which will help reduce the supplemental request. Because this is determined on the basis of a formula, the staff does not believe that it can be counted on for FY02 and FY03. In child support enforcement revenues, \$638,000 will offset the supplemental request. The Department will refinance \$500,000 of mental health costs for people with alcohol issues; it is not certain whether this will need a legislative change, but the Department does not think that it will be necessary. The mental health block grant increase is \$138,000 which affects the 2001 budget only. The Department will eliminate eligibility for nonCHIP eligible children in the mental health state plan services effective March 1.

**{Tape : 1; Side : B; Approx. Time Counter : 13.5-17.0}**

In response to **SEN. COBB** and **CHAIRMAN LEWIS**, **Director Gray** said that the services would be cut for the next two years. **Ms. Steinbeck** explained that the services would be cut, but that the spending would stay in the budget to cover other cost increases. If the Committee maintains the general fund program at the reduced level, that funding shifts to CHIP match, kids that are dual eligible, or for adults in the community. If there are additional cost overruns at the state institutions, it would shift back there. The money, \$1 million annualized, is left in the budget to spend, but not on this service.

In discussion with **SEN. COBB**, **SEN. WATERMAN** and **CHAIRMAN LEWIS**, **Director Gray** stated that it would be about \$3 million each year and she understood that the money would stay in the budget.

The Department will eliminate the targeted case management and care coordination in the mental health state plan for children

and partial hospitalization in the mental health state plan. All Department divisions will eliminate non-essential travel for \$151,200 from general fund:75% of out-of-state travel and 25% of in-state travel. The next area of cost cutting is a department-wide delay in the hiring of vacant positions for \$77,191; this was not figured on the direct care staff at institutional programs.

The next proposal would take money out Temporary Assistance for Needy Families (TANF) block grant and the Families Achieving Independence in Montana, Phase II (FAIM II) expansion for those who have recently left the welfare rolls, but are not out of poverty. This particular decision package is for the next biennium, and the Department is requesting \$977,000 each year in additional money to reduce what the Department is paying out of Title XX money and putting in general fund. The Department feels that it can no longer request this, although it is still in the budget.

***{Tape : 1; Side : B; Approx. Time Counter : 23.6-25}***

**Pat Gervais, Legislative Fiscal Division Staff**, explained that the Executive Budget included a transfer to general fund because federal Title XX funds were cut. Federal regulation proposed TANF transfers Title XX to be reduced from 10% to 4.25%. Congress is now allowing the states to continue the 10% transfer from TANF to Title XX. The decision package that would have shifted cost to the general fund can be funded with a transfer from TANF to Title XX at the 10% level. In the 2003 biennium, more general fund need was anticipated because of the federal reduction in the transfer, but the feds have now reinstated the ability to transfer up to 10% from TANF to Title XX, so the need for that shift is gone.

***{Tape : 1; Side : B; Approx. Time Counter : 25-29.1}***

**Director Gray** continued her discussion on reductions. Proposed cuts in Operations and Technology Division have already been made. The Department will maximize alcohol tax funding in the mental health division, and it has already taken out \$500,000 from FY01. This proposal extends with anticipated revenue from FY02 and FY03. The same is true of the mental health block grant increases.

The Department will be maximizing TANF funding in foster care saving \$1.9 million general fund each year of the biennium. When this is done, the Department will not only lose the \$1.9 million each year, but the Department will also lose the federal matching funds as well. This has a greater impact on the TANF and FAIM II programs than is indicated here.

**{Tape : 1; Side : B; Approx. Time Counter : 29.2-39.3}**

The next area is the state assumed counties. The Department has a shortfall as a result of county tax relief; less revenue was generated from the 9-mill levy. In the Child Support Enforcement Division, the Department is planning to utilize state special revenue for the System for Enforcement and Recovery of Child Support (SEARCHS). The next item reverts FY00 general fund money for Child Support Enforcement Division. The Montana State Hospital is licensed as a Medicare provider so there will be reimbursements for which the Department projects \$625,000 in FY01. In response to a query by **SEN. COBB**, **Director Gray** said that the Department had not received any of the money yet, since it had not yet billed.

**Director Gray** concluded the first part of her response. **SEN. WATERMAN** asked **Director Gray** to clarify the cost increase of moving people from institutions to the community, and whether there was an offsetting savings at the institutions or were beds filled with other patients. **Director Gray** said that such was the case, but that in future this will not be a problem, since they are funded for it. **SEN. WATERMAN** asked who is being served and what services are being cut with the issue of the alcohol refinance and maximization of TANF funding in foster care.

**Dan Anderson, Administrator of the Addictive and Mental Disorders Division**, explained that several areas of state government receive part of the alcohol tax, including the Addictive and Mental Disorders Division which uses it for the Montana Chemical Dependency Center and for some administrative costs in the office. The remainder, typically \$1 million, is distributed to the counties for use in alcoholism programs. The half million identified here for use, is over and above that \$1 million.

**{Tape : 1; Side : B; Approx. Time Counter : 39.4-46.5}**

**Ms. Steinbeck** went over the table on page B-172 of the budget analysis and explained the alcohol tax fund and its uses. A portion of the liquor, wine and beer license taxes is allocated to DPHHS. After the Legislature makes appropriations from that account, the remainder is statutorily appropriated for distribution to counties. These are the amounts above what was included in the Executive Budget after reserving funds that would have gone to counties had they not been appropriated somewhere. The amounts are based on the revenue estimates that were proposed by the revenue tax oversight committee, and there is some growth in each of the categories, particularly the liquor excise tax.

**Mr. Anderson** explained that the proposal eliminates non-CHIP children from the mental health services; they would be children of state employees or of parents who have some other insurance.

**{Tape : 1; Side : B; Approx. Time Counter : 46.6-47.2}**

In response to a question from **REP. JOEY JAYNE, HD 73, Arlee, Mr. Anderson** said that approximately 200 children would be affected by this change.

**{Tape : 2; Side : A; Approx. Time Counter : .6-1.1}**

**SEN. WATERMAN** requested that the Department track these kids that would have services dropped since elimination of mental health services for non-CHIP children might prompt those parents to drop insurance coverage in order to make their children eligible.

In response to questions by **SEN. COBB** and **CHAIRMAN LEWIS, Mr. Anderson** stated that cost savings are based on the projection of cost for the MHSP kids' program this year; how many, based on the experience to date, are in CHIP; how many are not in CHIP; and what proportion of total spending that is. The result is the savings for eliminating non-CHIP children from the program. At present, those made non-eligible cannot buy into CHIP.

**Ms. Steinbeck** clarified that given the administrative rules adopted by the Department there should be no children on MHSP with CHIP applications pending. Either the CHIP application has to have been denied or approved before the children can be MHSP eligible. When the rule went into effect, 180 children had been dropped off MHSP for failure to apply for CHIP when the rule went into effect. **Mr. Anderson** explained that the rule states that, in order to be considered for MHSP, a CHIP application has to have been submitted. **Ms. Steinbeck** commented that she does not have the cost estimates that support the \$1 million reduction, but based on estimates used to develop the Executive Budget, the annual cost of 200 children is \$1.4 million.

**{Tape : 2; Side : A; Approx. Time Counter : 7.2-8.5}**

**SEN. WATERMAN** would like the cost implications for allowing CHIP buy-in by families.

**Mr. Anderson** went over the rationale for eliminating the case management and care coordination for children and partial hospitalization under the mental health services plan.

**{Tape : 2; Side : A; Approx. Time Counter : 12.1-17.5}**

**SEN. COBB** requested a written management plan which incorporates the reductions outlined. Originally, there was a \$14 million overrun, then it was up to \$21 million, \$10 million was cut in order to get back to the original \$14 million overrun, and \$3 million went to balance the ending fund balance, which has nothing to do with the budget. **SEN. COBB** asked that the Department show the Committee where the \$6 million in the budget for cost overruns is.

**{Tape : 2; Side : A; Approx. Time Counter : 17.8-22.3}**

**Mike Billings, Administrator of Operations and Technology**, responded to questions from **SEN. COBB** and **CHAIRMAN LEWIS** regarding the reports that the Department has given the Committee. **SEN. WATERMAN** requested that the Department look into the Medicaid billing time so that providers no longer have one year to submit bills.

**{Tape : 2; Side : A; Approx. Time Counter : 22.4-42.7}**

**REP. JAYNE** expressed concerns about cutting the Mental Health Services Plan for children since it may create a void. **Director Gray** went over the other options that the Department had considered, stating that none of the cuts are desirable and all have unintended consequences, but something must be done.

**Director Gray** went over the management plan and stated that all divisions will be notified of the Committee discussion. On a weekly basis, administrators must report their progress with cuts; on a biweekly basis, Scott Sim and Bob Mullen will meet to review the financial projections on the mental health area and will report to Mike Billings, Dan Anderson, and Director Gray; on a monthly basis, all administrators responsible for cuts will report to Mike Billings; on a monthly basis the Department will talk with the Governor's Budget Office and the Legislative Fiscal Division; and on a quarterly basis, the Department will put out a budget status plan. The Department will also continue its monthly status reports.

**{Tape : 2; Side : A; Approx. Time Counter : 42.8-51.1}**

**Director Gray** went over system modifications. Some of the proposals will require legislation, for instance, the Montana State Hospital gatekeeping legislation. The Department is reviewing the lease agreement with Butte-Silverbow jail, particularly the emergency detentions. If people are brought from the jail, then the jail must provide personnel for suicide watches. Additional adult foster care in Butte and in Kalispell would allow the Department to control census at the state hospital. The proposed Governor Martz budget is sufficient for the present average daily census.

The Department is spreading the word that it would like local hospitals to help carry the burden, but there has not been much interest yet. The Department is working on transferring patients needing nursing care to Lewistown and also on the intensified Medicaid eligibility to maximize Medicaid rather than the mental health state plan expenditures. The Department will also be looking at the high end children and the services they require in order to find alternatives to out-of-state placement.



**{Tape : 2; Side : B; Approx. Time Counter : 0.2-2.4}**

The Department is moving toward getting more in-school services for children and a pilot for regional managed care. **Director Gray** remarked that sometimes changes do not have the anticipated outcome, to which **SEN. COBB** commented that it was important to try some new ideas, even if there were some failures.

**{Tape : 2; Side : B; Approx. Time Counter : 2.5-5.7}**

**Director Gray** reiterated some of the Department's plans to reduce costs. The Department would tighten up the medical assessment criteria for Medicaid funded mental health. Those on Medicaid would still have access to a doctor and drugs, but some specialized mental health services would not be there. The eligibility cap for the adult mental health state plan program would be lowered. Further reductions would be to lower the number of people actually receiving services and case management and discontinue payment for out-of-state placement in the mental health state plan. Finally the Department would discontinue out-of-home services. The Department would get a writeup to the Committee.

**Ms. Steinbeck** responded that since it is a block grant there would be no match and asked where \$10 million would be cut. **Hank Hudson, Administrator of Human and Community Services Division**, explained that TANF money would be moved into the child welfare budget to free up \$1.9 million. In order to do that, the Department will refinance foster care with TANF money. \$1.9 million of the savings is general fund and \$1.4 million of the savings is IV-E. The IV-E money will return to the federal government.

**{Tape : 2; Side : B; Approx. Time Counter : 9.8-15}**

**Randy Olsen, Chief of Mental Health Services Bureau** responded to questions by **REP. JAYNE** that some reasons for out-of-state treatment are: local hospitals and treatment centers have said that they cannot handle the needs of the child; many of the children have special and multiple needs; beds are lacking in-state and some district judges send children to specific out-of-state facilities.

The administrators of the three residential treatment centers would probably be able to upgrade their facilities to provide the services found out-of-state, but would probably not be able to do so at present reimbursement rates.

**{Tape : 2; Side : B; Approx. Time Counter : 15-32}**

**EXHIBIT (jhh11a05) EXHIBIT (jhh11a06)**

**Ms. Steinbeck** went over LFD issues. In the latest budget status report, the state hospital costs were estimated at \$5 million

over this fiscal year and the mental health services plan at \$2.4 million over. In the information the Committee received today, those figures were reversed. The elimination of children's services may not address the management actions needed if the cost overruns are truly in the state hospital.

If there is to be a complete reduction in school-based mental health services, schools could provide the general fund match needed to draw down federal Medicaid matching funds. This was initiated in Governor Stephens' administration. After two years, schools had received \$341,000 in revenue. Schools provided Medicaid eligible services to Medicaid eligible kids and sometimes the services were funded with 100% school funds. It is a complex effort and requires staff and technical support for schools to learn how to bill. Because of the way school-based mental health services are built as a bundled rate, there is potential for refinancing on the Medicaid school-based services fund, particularly, if it is ever an option considered by the Department for reduction.

Another suggestion would be to consider an intergovernmental transfer for schools to bump up the Medicaid rate, so that if services to children are cut, there could still be additional revenue for schools to support those school-based services for the other children.

Finally, the Department could look at Title IV E refinancing which is a complicated process and would require staff that was dedicated to this program alone. There are potential ways to continue services to nonCHIP eligible children. Current general funds spent for TANF maintenance of effort could be shifted to fund MHSP nonCHIP eligible children and still count toward the TANF maintenance of effort. Those expenditures, estimated at \$1 million to \$3 million a year, would need to be backfilled with TANF funds. The Department would then need to figure out how much money it would need to implement FAIM II. It could also use some TANF funds for nonMedical services to continue to provide services to low-income families.

**Ms. Steinbeck** explained that the maintenance of effort for the Mental Health Services Block Grant is the average general fund spend over the previous two years in community services funded by the state program and Medicaid; and that there was a legislative audit finding on the method of calculation used by the Department. The information has been requested from the Department.

Since the Department is making substantial cuts to the general fund spending in this program, it is likely that the maintenance of effort could decline sufficiently to make the state ineligible

for the federal mental health block grant which is another \$1.5 million a year.

The HJR 35 committee received public testimony when the cap in enrollment for the mental health services plan was initiated in response to cost overruns. One idea presented was elimination of services for adults, except for drugs and case management, when adults are dually eligible for Medicare and Medicaid since Medicare will pick up a lot of the costs. The second idea was targeting services for elimination rather than classes of persons for eligibility.

The other potential increase in the supplemental is \$260,000. The Department has indicated that it will only pay appropriated amounts for mainframe services costs rather than billed amounts. A legislative audit finding on this issue indicated that this plan places the state mainframe cost plan approved by the feds at risk because you cannot artificially charge one federal funding source a different rate for the same internal services that other federal funding sources are charged.

***{Tape : 2; Side : B; Approx. Time Counter : 32-46.7}***

**Ms. Gervais** handed out the Department response to the LFD issues on Operations and Technology **EXHIBIT(jhh11a07)**, an updated table 3 **EXHIBIT(jhh11a08)**, and the Information Services Division Usage and Charge Comparison **EXHIBIT(jhh11a09)**. **Ms. Gervais** went over the utilization chart, which showed the Department usage and costs according to source code. ISD staff indicated that DPHHS is a high user of daytime services. **Mr. Billings** said that pieces of information are missing from the algorithm used by ISD, and that it is unfair to DPHHS. **Ms. Steinbeck** explained that tweaking rates for one agency may cause problems for other agencies, particularly if it has a disadvantage to the federal government. It may not be as simple to approach it by asking ISD to change billing algorithms to benefit DPHHS.

***{Tape : 3; Side : A; Approx. Time Counter : 0.2-3.6}***

**Ms. Gervais** handed out and explained an updated table for the Operations and Technology Division **EXHIBIT(jhh11a10)**.

#### **EXECUTIVE ACTION ON THE OPERATIONS AND TECHNOLOGY DIVISION**

##### **PRESENT LAW ADJUSTMENTS:**

***{Tape : 3; Side : A; Approx. Time Counter : 3.7-4.3}***

**Motion/Vote:** REP. CLARK moved THE BASE LEVEL OF FUNDING, PLUS STATEWIDE PRESENT LAW ADJUSTMENTS TO INCLUDE DP 699, ADDED VACANCY SAVINGS, TO THE OPERATIONS AND TECHNOLOGY DIVISION, PROGRAM 09. Motion carried unanimously.

*{Tape : 3; Side : A; Approx. Time Counter : 4.4-10.3}*

**Motion/Vote:** REP. CLARK moved THE OPERATIONS AND TECHNOLOGY DIVISION BUDGET BE REDUCED BY \$375,000 GENERAL FUND EACH YEAR OF THE BIENNIUM AND INCREASED BY \$375,000 FEDERAL FUNDS EACH YEAR OF THE BIENNIUM. Motion carried unanimously.

*{Tape : 3; Side : A; Approx. Time Counter : 12.4-13.1}*

**Motion/Vote:** REP. CLARK moved THAT FY03 FUNDING FOR THE SEARCHS FACILITY MAINTENANCE CONTRACT BE REDUCED BY \$549,000 GENERAL FUND AND INCREASED BY \$549,000 STATE SPECIAL REVENUE. Motion carried unanimously.

*{Tape : 3; Side : A; Approx. Time Counter : 13.2-19.8}{}{}*

In response to a question by Mr. Billings regarding DP 698, which he had not seen before, Ms. Gervais explained that it was an adjustment to rent; Capitol land grant money will be used to reduce the rental costs in the Capitol complex. The proposal in Governor Martz's budget was approved by the Legislature. The Committee discussed the various decision packages.

*{Tape : 3; Side : A; Approx. Time Counter : 19.9-23}*

**Motion/Vote:** REP. CLARK moved THE DECISION PACKAGES FOR THE TOTAL LIST OF THE DECISION PACKAGE ADJUSTMENTS. Motion carried unanimously.

Ms. Gervais handed out information on the federal child support incentive funds **EXHIBIT(jhh11a11)** and two U.S. Supreme Court decisions related to Olmstead **EXHIBIT(jhh11a12)** **EXHIBIT(jhh11a13)**. Information on the top 100 high end users **EXHIBIT(jhh11a14)** and a letter from Bob Olsen of the Montana Hospital Association **EXHIBIT(jhh11a15)** were also submitted.

**ADJOURNMENT**

Adjournment: 11:20 A.M.

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REP. DAVE LEWIS, Chairman

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SYDNEY TABER, Secretary

DL/ST

**EXHIBIT** (jhh11aad)